

(Washington D.C.)- Today, Congressman Russ Carnahan will vote on H.R. 5, the College Student Relief Act, a bill designed to make college more affordable and accessible. The bill will cut the interest rate on subsidized student loans for undergraduates - those most in financial need – in half over the next five years – cutting the interest rate from 6.8% to 3.4%. The bill cuts the interest rate in half in five steps: from 6.8% to 6.12% in 2007; 5.44% in 2008; 4.76% in 2009; 4.08% in 2010; and 3.4% in 2011.

Making college more affordable is particularly important at a time when the cost of college continue to skyrocket. Tuition and fees at four-year public colleges and universities have risen 41 percent, after inflation, since 2001 – putting college out-of-reach for more and more students. Recently, the National Center for Public Policy and Higher Education awarded Missouri an "F" in college affordability.

In Missouri, there are 82, 921 four-year college students with subsidized student loans – all of whom would benefit from this bill. The bill would save the average four-year college student in Missouri starting school in 2011 with subsidized student loans \$4,250 over the life of their loans.

Interest rates on student loans have risen, in part due to the Higher Education Reconciliation Act of 2005. Carnahan strongly opposed this legislation, which was signed into law by President Bush on February 8, 2006 as part of the Deficit Reduction Act. The Act included a monumental \$12.7 billion in student aid cuts, the largest in the history of the student loan program. Carnahan also has spoken out against a proposed agreement to liquidate \$350 million of Missouri Higher Education Loan Authority's (MOHELA) assets used for student loans in Missouri. Like cuts to student loans, the MOHELA raid reduces funds available to help students to pay for college.

"As someone who used student loans to pay for my own education, I firmly believe that we must act now to ensure all students are able to afford a quality college education. I am proud to be a cosponsor of H.R. 5, but acknowledge that it is only the first step towards removing the financial barriers which prevent so many students from pursuing a higher education."

-Congressman Russ Carnahan, MO-3